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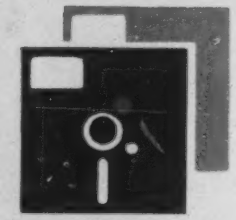

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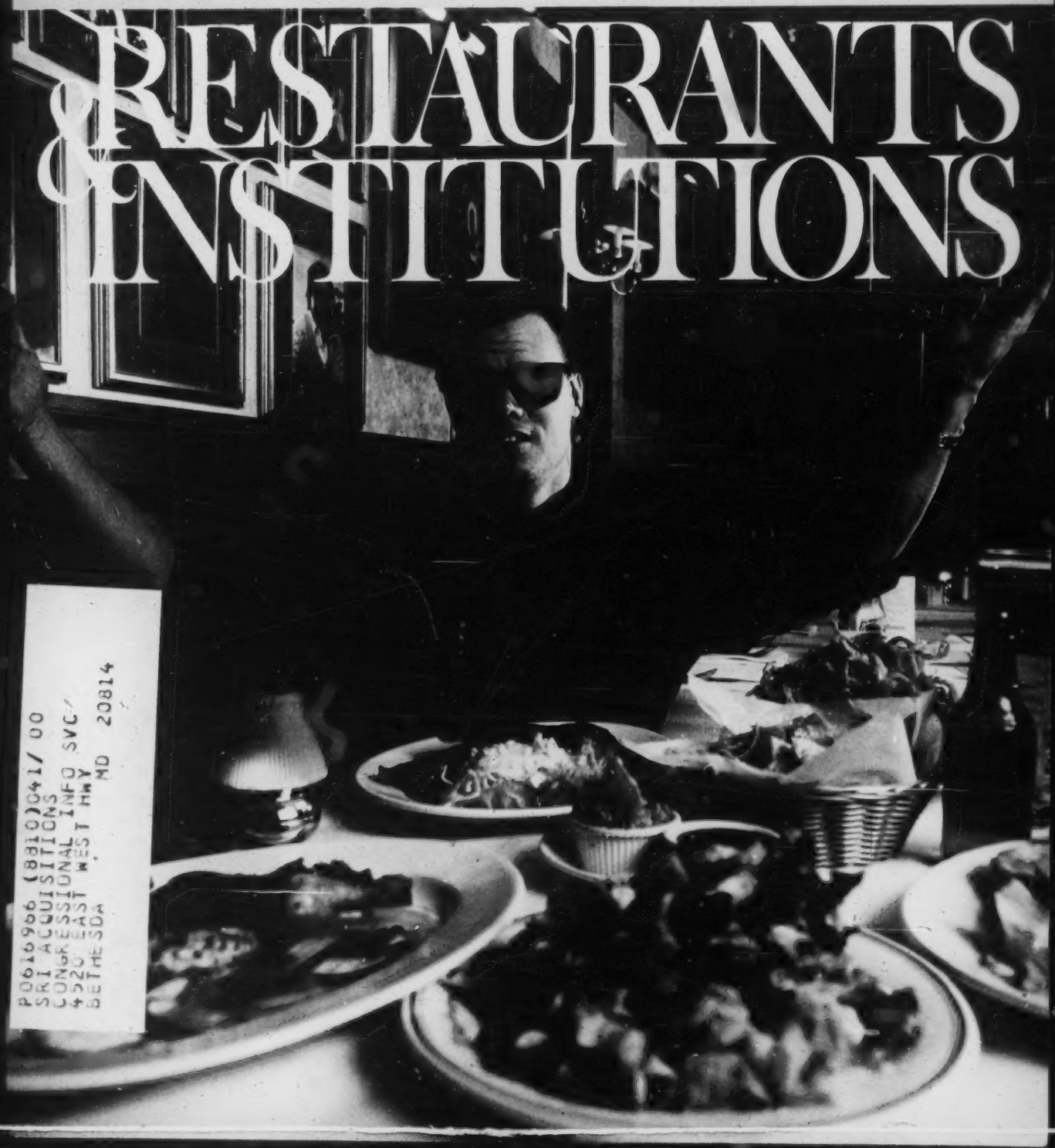

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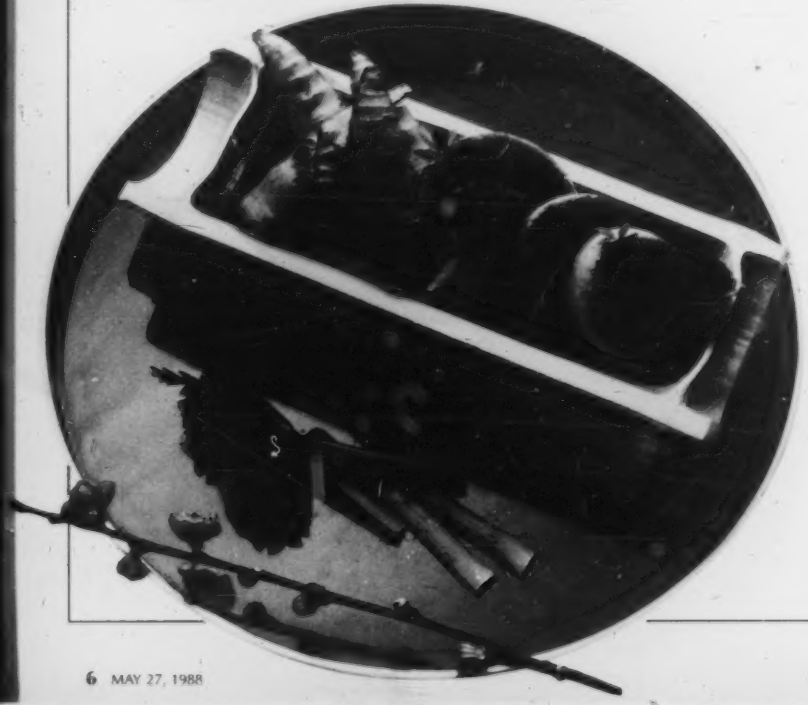


■ CITY BEAT

Indianapolis: The Race Is On

Restaurant openings outstrip customer base in rapidly growing downtown area.

The city known primarily for its 500-mile auto race held every Memorial Day weekend adds a few more trophies to its shelf: a domed stadium and convention center, a train station revitalized with shops and restaurants, and a world-class zoo opening in June.

With all this growth and development, the restaurant business in Indianapolis should be booming, right?

"Just the opposite," says Dick Smith, general manager of King Cole, a city landmark and one of the downtown area's oldest restaurants.

Despite increased activity downtown, many operators have seen ther sales volume decrease because so many restaurants have opened recently. Restaurants have been opening downtown at the rate of one a month since 1983, says Ann Wolman, a manager at the Indianapolis Project, a privately funded public relations organization for the city. Smith and other operators agree with the figure. The population of metropolitan Indianapolis is 1.2 million.

"The boom that everyone has talked about for so long has not happened," Smith says. "Business downtown is better than it used to be—much better—but not to the extent that it can support as many restaurants as have opened. Not yet, anyhow."

Rick Rising-Moore, president of McDuff Inc., which operates seven Indianapolis restaurants, concurs: "There is a shake-up going on now. The people who can run a business will be survivors, and those who can't are not going to make it."

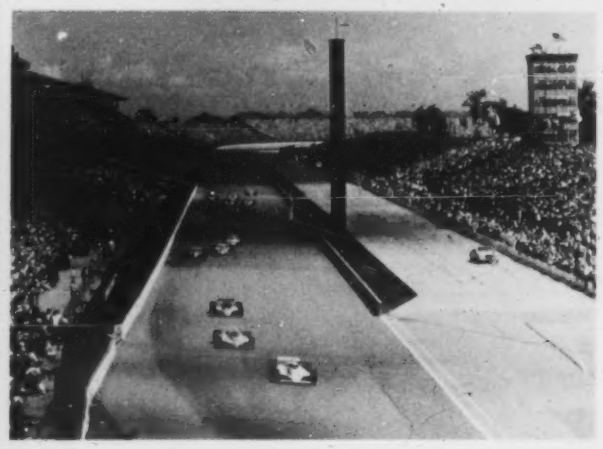
That may change. A flurry of major athletic competitions will bolster the city's claim to be the "Amateur Sports Capital of the World" and bring thousands of people into town as well. Indianapolis will host five Olympic trials this summer, including track and field. The Pan American Games, held in Indianapolis last summer, brought international attention to the city.

Rising-Moore and Smith are cautiously optimistic that these developments and others will create a large enough market to support the city's burgeoning restaurant industry.

Fletcher Boyd, president of Downtown Indianapolis Nightlife and Entertainment (DINE) and owner-manager of Fletcher's American Grill and Cafe, sees some advantage in the proliferation of restaurants downtown.

"Indianapolis used to be a chain-restaurant town. All of the major chains from across the country use Indianapolis as a testing ground," Fletcher says. "In the past three to five years, most of the restaurants built have been independent operations. There is now a lot more excitement, a lot more variety."

—George Curran



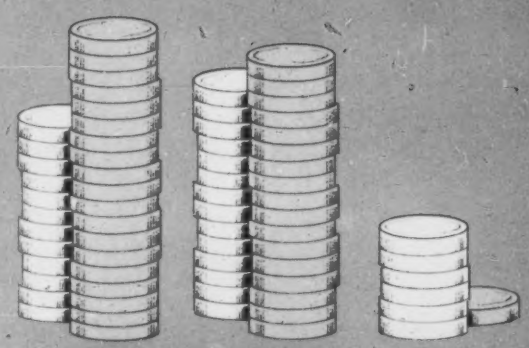
Downtown Indianapolis emanates from Memorial Circle (r.). The speedway (below) is now but one of several tourist attractions.

■ R&I DATA

SALES NOW: FAST-FOOD FALLOFF?

Commercial operators reporting sales conditions as bad in the first quarter of 1988 jumped 100% over the previous quarter to 20.5%. More than 28% of fast-food operators say sales were bad in the first quarter, compared to only 6.3% in the final quarter of 1987. Among the institutions, sales conditions returned to normalcy in early '88 after a sensational finish in '87. Employee feeding was the only segment to report improving conditions.

■ Commercial ■ Institutional



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